

## Message Text

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46

ACTION OES-06

INFO OCT-01 ISO-00 NEA-10 PM-04 SS-15 SP-02 L-03 EB-07

INR-07 INRE-00 SSO-00 /055 W  
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O R 131145Z SEP 76

FM AMCONSUL BOMBAY

TO SECSTATE WASHDC IMMEDIATE 6758

INFO AMEMBASSY NEW DELHI

C O N F I D E N T I A L BOMBAY 2394

STADIS//////////

E.O. 11652 GDS

TAGS: TECH, IN

SUBJ: TARAPUR- BUY-BACK

REF: STATE 223031

1. IN GOING OVER QUERIES RAISED REFTEL WITH SETHNA ON SEPTEMBER 10 AND 11, I NOTED THAT ON SEPTEMBER 9 J.1: SHAH HAD SAID INDIANS VERY UPSET THAT U.S. WOULD TRY TO PRESENT THEM WITH "FAIT ACCOMPLI" ON BUY-BACK BY ATTEMPTING TO WORK OUT PHYSICAL ARRANGEMENTS FOR TRANSFER WITHOUT PRIOR AGREEMENT ON PRICE. SETHNA CUT ME OFF WHEN I STARTED TO EXPLAIN THAT SUCH AN INFERENCE REFLECTS A POOR UNDERSTANDING OF OUR APPROACH. SETHNA SAID HE UNDERSTANDS THAT WE MERELY TRYING TO ASCERTAIN PHYSICAL POSSIBILITIES AND DIFFICULTIES WHILE SIMULTANEOUSLY WORKING OUT COSTS. HE SAID SHAH MERELY ECHOING SOME POORLY THOUGHT-OUT NOTIONS EMANATING FROM MINSTER OF EXTERNAL AFFAIRS. HE WISHED THAT HIS COLLEAGUES WOULD FOLLOW HIS APPROACH MORE CLOSELY, BUT NOTED THAT WE SHOULD TAKE OUR VIEWS DIRECTLY FROM HIM OR AT LEAST NOT ATTACH IMPORTANCE TO WHAT OTHERS TELL US UNTIL WE CHECK WITH HIM. HE ENDED THIS PART OF TALK BY SAYING HE ALTOGETHER SATISFIED NOW THAT WE ARE RIGHT TO MOVE AHEAD WITH EXAMINATION PHYSICAL PROBLEMS CONNECTED WITH TRANSFER EVEN THOUGH MUCH REMAINS TO BE DONE BEFORE ADEQUATE PRICING FORMULA CAN BE NEGOTIATED. HE NOTED THAT WE HAVE AT MOST NINE MONTHS TO BEGIN

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REMOVAL, IF IT IS TO BE DONE, SO WE MUST TACKLE ALL

PROBLEMS CONNECTED WITH IT SIMULTANEOUSLY.

2. SETHNA SAID HE NOT SURPRISED THAT HIS PROPOSAL FOR EXPERIMENTAL REPROCESSING OF A FEW PINTS AT TARAPUR RP HAD RAISED HACKLES IN WASHINGTON. (SHAH HAD SAME DAY SENT ME ARTICLE FROM NUCLEONICS CARRYING PROPOSED AMENDMENT TO EXPORT REGULATIONS PROHIBITING EXPORTS OF SNM TO A NON-WEAPONS COUNTRY OPERATING A REPROCESSING PLANT.) SETHNA SAID THAT IT RATHER LATE TO FORBID ANY USE OF A PLANT WHICH HAS BEEN UNDER CONSTRUCTION FOR A LONG TIME WITHOUT SHARP ADVERSE REACTION.

3. ON HEAVY WATER SETHNA WAS SILENT ABOUT CIRUS, BUT OFFERED FOLLOWING ON OUR HW IN RAPP I. HE SAID THAT ANY NEGOTIATIONS WITH CANADA TOUCHING THE CONSEQUENCES OF THE DELAYS IN COMPLETING THE RAJASTHAN POWER REACTOR PROMPTLY WOULD INEVITABLY RAISE QUESTIONS IN INDIAN PARLIAMENT ABOUT CANADA'S LIABILITY FOR DAMAGES RESULTING FROM ITS FAILURE TO KEEP SUPPLY OBLIGATIONS. SETHNA CLAIMED THAT SUCH QUESTIONS NOT ACADEMIC BECAUSE HE IS AMORTIZING DEBT TO CANADA CONNECTED WITH RAPP CARRYING 9 XW PER CENT INTEREST RATE. HE CLAIMED THAT EVEN SEEKING TO CHANGE TRILATERAL AGREEMENT INTO A BILATERAL ONE WOULD RAISE POLITICAL ISSUES THAT COULD QUICKLY GET OUT OF HAND. HE INCLINED BELIEVE BEST APPROACH IS SIMPLY LEAVE TRILATERAL IN EFFECT WITH CANADA AS NOMINAL BUT NOT ACTIVE PARTICIPANT. I POINTED OUT SUCH ARRANGEMENT COULD RAISE QUESTION ABOUT DURABILITY OF AGREEMENT AND SETHNA SAID IT MIGHT BE POSSIBLE FOR INDIANS TO GIVE SOME SORT OF SEPARATE WRITTEN ASSURANCE TO IAEA THAT IT INTENDS TO CONTINUE OBSERVING RAPP SAFEGUARDS AGREEMENT.

4. SETHNA PLEASED BY QUALITY OF WORK OF LAST AND KIEFER AS WELL AS THEIR COOPERATIVE, PROFESSIONAL ATTITUDES. CONGEN BELIEVES THEIR VISIT CONTRIBUTED TO TYPE OF COOPERATION SETHNA WISHES TO FOSTER. FOR ITS PART CONGEN WISHES TO CONGRATULATE CONSULTANTS LAST AND KIEFER FOR DOING A DIFFICULT JOB ON A VERY TIGHT SCHEDULE AND PARTICULARLY ON THEIR ADROIT HANDLING OF THE STICKY PROBLEMS THAT AROSE AT END OF THEIR VISIT (BOMBAY 2392). COURTNEY

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## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DIPLOMATIC DISCUSSIONS, NUCLEAR COOPERATION PROGRAMS, NUCLEAR REACTORS, NUCLEAR FUELS, FISSIONABLE MATERIALS TRANSFER  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 13 SEP 1976  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** KelleyW0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976BOMBAY02394  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D760344-1084  
**From:** BOMBAY  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1976/newtext/t19760968/aaaacgem.tel  
**Line Count:** 99  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION OES  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** STADIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** STADIS  
**Reference:** 76 STATE 223031  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** KelleyW0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 29 MAR 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <29 MAR 2004 by ShawDG>; APPROVED <05 AUG 2004 by KelleyW0>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** TARAPUR- BUY-BACK  
**TAGS:** TECH, IN, US  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006